PX44

coinbase + ◢

Custody Network Integration

November 2018

Dear Telegram Investors,

It is our pleasure to extend **an exclusive offer to use Coinbase Custody for your upcoming GRAM token issuance.**

We are working directly with Telegram to ensure a **seamless, white glove experience from Day 1**, so your assets are safely issued directly into your Coinbase Custody account from the launch of the genesis block.

We've provided these materials for you to learn more about our industry leading custody offering, but please don't hesitate to **contact us with any questions or concerns.**

Thank you,

The Coinbase Custody Team

EXCLUSIVE PRICING

Telegram investors benefit from discounted rates and a waived implementation fee.

***Adding additional assets outside of GRAM to Custody discounts an additional 5 bps.**

Assets	Management fee
$0-10M	45 bps
$10-25M	40 bps
$25-100M	35 bps
$100M+	30 bps

Note: Fees quoted annually and charged monthly.

coinbase   custody@coinbase.com   custody.coinbase.com   +1-646-760-6195   coinbase.

COINBASE_TELEGRAM00000312

Let Coinbase **securely store and issue** your investment

1   Apply for your account on custody.coinbase.com

2   Submit required documentation and finalize onboarding
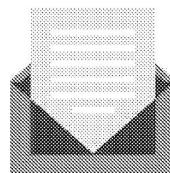
3   Get your tokens issued directly to your Coinbase Custody account

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Digital Asset Custody for Institutions

SIGN UP

custody@coinbase.com

custody.coinbase.com

+1-848-760-6195

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Custody Overview

Q4 2018

This information is confidential and was prepared by Coinbase Inc. It is not to be disclosed to any 3rd party without prior written consent.

Coinbase offers an **institutional ecosystem** to meet the needs of sophisticated investors

coinbase | Prime

▶+ Exchange trading

Direct access (API & front-end) to the best-in-class liquidity of Markets

* Instant USD movement*, $10M+ withdrawal limits from Day 1

* Fully-insured hot wallet with 98% of assets in omnibus cold storage

* White glove client services from experienced team

* Integrations with prominent ISVs like Trading Technologies, Caspian, and Omniex

OTC trading

Full-service, agency-only crypto OTC desk with settlement layer

* Diverse liquidity from active traders and major institutions

* Trusted and compliant, with fully vetted KYC and AML controls

* Settlement layer reduces processing time from days to hours, minimizing counterparty risk

🔒 coinbase | Custody

Qualified custodian with segregated cold storage

* State of the art security, with $20B+ of crypto securely stored over 6+ years

* Qualified custodian and fiduciary licensed to custody assets through a separate New York Limited Purpose Trust Company

* All assets covered under Coinbase's omnibus insurance policy, one of the largest crypto insurance facilities in the industry

coinbase   *Note: Instant USD movements available through Silvergate Exchange Network (SEN) for participating clients

COINBASE_TELEGRAM00000315

Coinbase Custody offers **best-in-class protection** of your cryptoassets

6+ years experience developing best-in-class **security & operations**

Segregated, insured cold storage with state of the art security protocols
Battle-tested since 2012, with over $20B securely stored

Forward thinking approach to regulation, compliance & insurance

As a NY Limited Purpose Trust Co, we're a qualified custodian solution for your digital assets
Transparent and trusted by auditors, investors, and partners

Crypto-forward custodian that you can grow with

Robust roadmap of crypto-first features like staking and arbitrary key storage
We are not just cold storage, but are working to enable use cases of the protocols we support
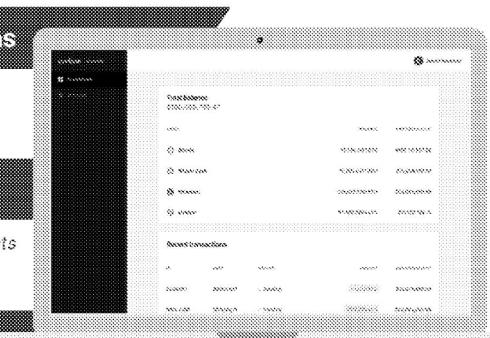
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COINBASE_TELEGRAM00000316

Coinbase Custody's features meet the rigorous standards of institutional investors

SEGREGATED COLD STORAGE

Separate and dedicated accounts for your digital assets

INSURANCE

Industry-leading insurance covering cold storage assets

REGULATED AND COMPLIANT

As an NYDFS- chartered Trust, we are a qualified custodian & fiduciary

BETTER ASSET PROTECTIONS

Independently capitalized with assets held in trust

TOP NOTCH SUPPORT

Dedicated, white glove support and 2hr. SLA on scheduled transfers

GROWING # OF ASSETS

Support for 7 assets; adding assets is top product priority

DETAILED REPORTING

Detailed monthly reporting, audit certifications, & audit support

FINANCIAL & SECURITY CONTROLS

Regular financial and security audits

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We meet the rigorous banking standards of the NYDFS as a **NY Limited Purpose Trust Company**
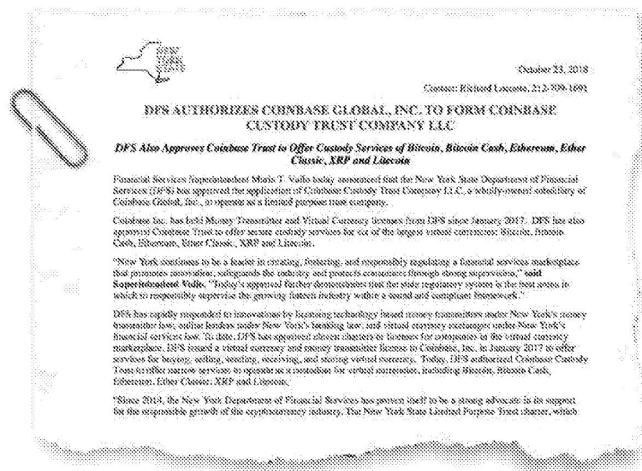
- This designation allows us to serve as a **fiduciary** under NY Banking Law and a **qualified custodian** for purposes of the Investment Advisers Act of 1940

- We operate as a **standalone, independently-capitalized business**, offering you better asset protections

- This regulatory clarity will allow us to **compliantly store more assets** and **add new features like staking**

Our **security processes** are state of the art

Key generation	• Generates **public/private key pairs** in an offline environment • Follows **industry best practices** for physical, information, and operations security • Compliance officer **witnesses & documents** full ceremony
Storage	• Store sharded private keys in a vault **(24/7 physical security)** • **Multi-factor authentication required** to process private keys • Back-up key materials are **secured in vault facilities around the globe**
Decryption	• Withdrawals follow **stringent cold restore protocol** to sign any transaction and bring funds back online, including: 　○ Multiple independent actors 　○ Hardware security tokens 　○ Software based security enforcement 　○ Operational checks and balances

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We are thought leaders in **custody insurance**

- Coinbase Global, Inc. has insured the total amount of all funds held in cold storage
- We leverage both **fidelity and cyber insurance** to mitigate risks like **theft of funds or cyber- attacks** against the company's tech systems
- **Aon is the brokerage representative** for these programs, which are provided by a **syndicate of industry-leading insurers**
- We are currently exploring **additional client-directed insurance policies**, targeting launch by end of year

Our **asset support** is growing

- Asset support for Coinbase's trading platforms (Consumer, Pro, and Prime) are governed by Coinbase's Digital Asset Framework[1]

- Over time, asset support on Coinbase Custody is likely to exceed that of Coinbase's trading platforms

- Adding new assets is a top product development priority for Coinbase Custody
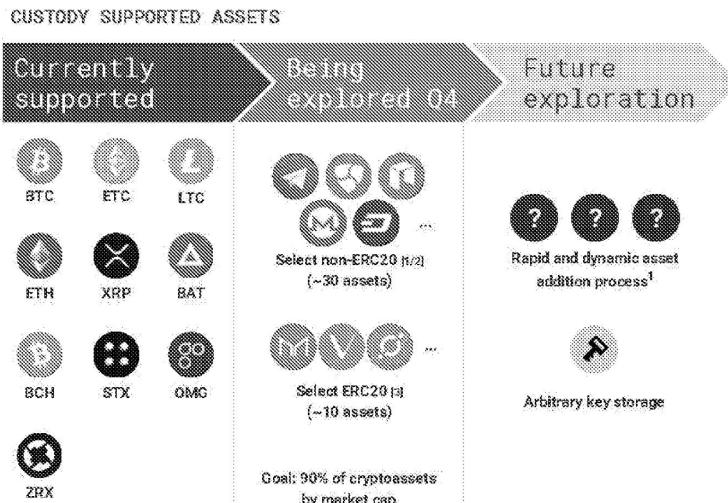
CUSTODY SUPPORTED ASSETS

| Currently supported | Being explored Q4 | Future exploration |

BTC   ETC   LTC
ETH   XRP   BAT
BCH   STX   OMG
ZRX

Select non-ERC20 [1/2]
(~30 assets)

Select ERC20 [3]
(~10 assets)

Goal: 90% of cryptoassets by market cap

Rapid and dynamic asset addition process[1]

Arbitrary key storage

[1] https://listing.coinbase.com/policy
[1] announced on July 14 https://blog.coinbase.com/coinbase-is-exploring-cardano-basic-attention-token-dollar-coin-and-0x-9c44f0eb87f8
[2] announced on Aug 4 https://blog.coinbase.com/coinbase-custody-is-exploring-a-range-of-new-assets-e700490b44be
[3] announced on Mar 27 https://blog.coinbase.com/listing-erc-20-support-to-coinbase-f6cb57f32t.
*Except for blacklisted assets

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Our planned features will help **lead the industry forward**

UPCOMING FEATURES

Crypto features	Custody services	Regulation & compliance
• Asset additions (support 90% of market cap by EOY)	• Multi-user logins / approvals	• SOC2 Type I audit certification
• Staking services	• OTC integration	• Client-directed insurance program
• Hot / warm wallet support	• Improvements to SLA and support hours	
• API connectivity	• Crypto lending services	
• Arbitrary key storage	• Fiat custody	
• Crypto payments		

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CONFIDENTIAL

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We are **trusted by some of the most prestigious investors** in the cryptocurrency space
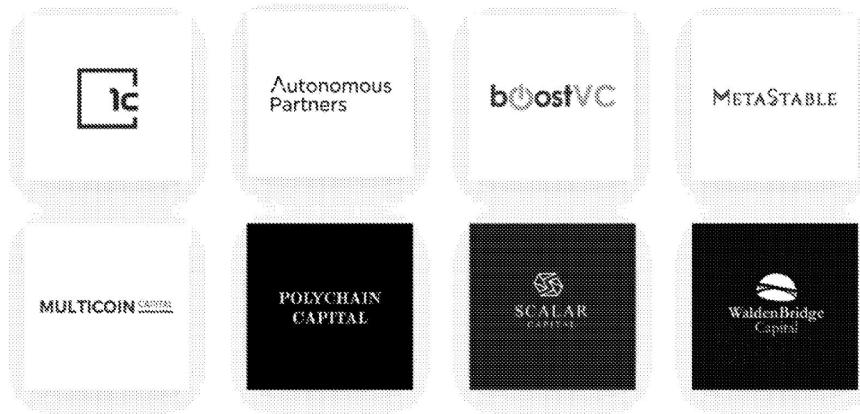
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Coinbase Custody leadership

We have deep tech, Wall Street, and legal expertise

Sam McIngvale
Head of Coinbase Custody
Formerly Apex Clearing Corporation

Brian Armstrong
Co-founder & CEO
Formerly Airbnb

Asiff Hirji
President & COO
Formerly TD Ameritrade, TPG Capital

Balaji Srinivasan
Chief Technology Officer
Formerly Earn.com, A16Z

Alesia Haas
Chief Financial Officer
Formerly Oz Management

Brian Brooks
Chief Legal Officer
Formerly Fannie Mae

Tim Wagner
VP of Engineering
Formerly Amazon, Microsoft
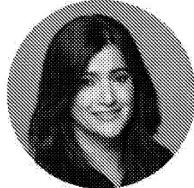
Tina Bhatnagar
VP of Operations and Technology
Formerly Twitter, Salesforce

Philip Martin
VP of Security
Formerly Palantir, US Army

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